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S E C R E T PANAMA 000184

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DEPARTMENT FOR WHA/FO
DOD FOR DASD ROGER PARDO-MAUER
SOUTHCOM ALSO FOR POLAD

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TAGS: PGOV PREL ETRD PM

SUBJECT: (C) PANAMANIAN PRESIDENT TORRIJOS: LACK OF U.S.
REGIONAL STRATEGY HELPS RADICALS

Classified By: AMBASSADOR WILLIAM EATON FOR REASONS 1.4 (B) AND (D).

SUMMARY

¶1. (S) During a January 30 meeting with Ambassador and DOD DASD Roger Pardo-Mauer, Panamanian President Martin Torrijos Espino shared his frustration with what he perceives as a leadership void created by a lack of a coherent U.S. strategic vision for the region. In his view, the increasingly radicalized leftists in the region are rapidly filling that void which is making life difficult for governments who want to work with the United States. Torrijos complained that stalwart friends, such as Panama, are being ignored by Washington, while others, who oppose U.S. interests, are gaining ground. End Summary.

Leftist Pressures

¶2. (S) In Panama, Torrijos said, leftist forces, including those in his own party, are flexing their muscle, berating Torrijos for his pro-American policies, taunting him for having nothing to show for this so-called friendship and strategic partnership. Meanwhile, the U.S. is perceived as "nickeling and diming" Panama on the free trade agreement, fueling a public perception in Panama that this is an unequal deal being bullied upon Panama. Different U.S. departments and agencies seem to be pursuing their own strategies and priorities divorced from the realities and threats emerging in the region. Ironically, he said, while the Executive Branch seems to be ignoring and neglecting the region, Congressional officials seem to have a better understanding and appreciation of the risks at stake in the region. The blithe indifference to the region (and Panama) also is manifested in the relative paucity of U.S. companies actively pursuing participation in the Panama Canal Expansion Project, while swarms of representatives from other countries (including China) are actively campaigning for these projects.

Urban Risk

¶13. (S) Torrijos opined that the election of Evo Morales in Bolivia was not an indigenous revolution, as many pundits claim, but an urban revolution. Every country in the region with an urbanized population, he said, is at risk. While much of the attention from the U.S. to the region has been rhetorical, what the region needs are more concrete programs to aid democracy, security and trade. The Organization of American States (OAS) can also play a constructive role as a facilitator of discussions, but the real work, he said, has to be through more and better informal dialogue before positions become calcified in public fora. The PRC, he said, is an increasingly important economic partner for Panama, as it is for the U.S., in stimulating growth and employment. He added almost dismissively that Taiwan is not a helpful force for democracy in the world, alluding to scandals involving Taiwanese bribery of Panamanian officials in the previous Moscoso Administration.

"Progress By Inches"

¶14. (S) Torrijos conceded that we are making progress by inches in solidifying security cooperation between the U.S. and Panama, through the Panama Secure Trade and Transportation Initiative, Enduring Friendship and the annual Panamax exercise. However, Torrijos expressed his growing concern about internal insecurity and unrest in Panama because of poverty and unemployment. That's one reason why a free trade agreement is so important, he said.

COMMENT

¶15. (S) We don't agree with Torrijos's characterization of our FTA discussions, since some of the political problems he is confronting are of his own making. Neither Torrijos nor his cabinet has done much to promote the agreement. Having said that, we should not underestimate the enormous pressure Torrijos is under within his PRD party to shift the government's attention away from the U.S. to others in the region (e.g., Venezuela, Cuba).

¶16. (S) So far, however, Torrijos has been holding firm against these forces. However, it's clear he's losing the battle. His tone during this meeting with the Ambassador and Pardo-Mauer was plaintive, tinged with enormous frustration. Torrijos characterized the failure to conclude a free trade agreement in Washington earlier this month as an enormous political and personal blow, which he is still struggling to understand. He claimed that recent polls indicate his popularity dropped 10 points after (and because of) the inconclusive negotiations*but also, we must point out, because of the flamboyant resignation of his Agriculture Minister Cortizo, as the last round of FTA negotiations got underway. Waving the specter of Venezuela, Cuba, China and others was his way of telling us his interpretation of what is at stake for Panama -- and the U.S. -- if the U.S. continues to ignore Panama and the region.

EATON